

The Food, Conservation and Energy Act of 2008

Title II – Conservation

- **STRENGTHENS CONSERVATION STEWARDSHIP PROGRAM FOCUS ON ENVIRONMENTAL BENEFITS:** The former Conservation Security Program is improved and simplified into a nationwide stewardship system of incentives for adopting, improving, and maintaining practices to achieve environmental benefits. To enroll, a producer has to already be addressing at least one resource concern to a threshold standard, and has to address at least one priority resource concern by the end of the contract. Contracts are ranked to prioritize producers whose overall conservation activities have the greatest environmental benefit. Contract duration is 5 years. Producers have to agree to adopt new practices and maintain and improve existing conservation activities, to address priority resource concerns identified for the producer's area or watershed. Payments are based on the cost of practices, income foregone, and the environmental benefits of the practices. The program will enroll some 12.77 million acres nationwide every year through 2012. The bill adds \$1.1 billion to existing funding, and will allow enrollment of nearly 115 million acres over the next 10 years.
- **INCREASES FUNDING FOR THE ENVIRONMENTAL QUALITY INCENTIVES PROGRAM:** The Environmental Quality Incentives Program (EQIP) provides payments to producers to adopt and maintain conservation practices. Funding for the Environmental Quality Incentives Program is substantially increased by 27.2 percent, a total of \$3.393 billion. The bill adopts a new process for determining payment levels for conservation practices based on the costs associated with adopting a practice and revenue foregone by the producer. Socially disadvantaged farmers or ranchers and beginning farmers or ranchers are eligible to receive an increased cost share rate that is 25 percent above the otherwise available rate, to a maximum of 90 percent. These producers may also receive up to 30 percent of their total contract in advance to provide funds for materials and contracting. Priority for contracts concerning water conservation or irrigation practices goes to producers who agree not to bring new land into irrigated production with any associated water savings. Conservation associated with organic production is authorized for payments. The program also adds additional forestry practices including forest management and fuels management. Producers could receive grants under the program of up to \$300,000 over any 6 year period, with the Secretary authorized to exceed the cap up to \$450,000 for projects of special environmental significance.
- **ADDS OVER 3 MILLION ACRES TO THE WETLANDS RESERVE PROGRAM:** A revised procedure for valuing property and a streamlined review process for the Wetlands Reserve Program will facilitate enrollment of fragile wetland acres. Land eligible for enrollment is expanded, and the holding period for land prior to enrollment is extended to seven years. A schedule for payment over time is provided for easements: easements valued at \$500,000 or less may be paid as a lump sum or in up to 30 annual payments, while easements over \$500,000 would have to be paid in no fewer than five or as many as 30 payments. The Secretary is authorized to waive this requirement and pay for larger WRP

easements in a lump sum if necessary to fulfill objectives of the program. The Secretary is authorized to enter into agreements with states, tribes and nongovernmental organizations to carry out a special Wetlands Reserve Enhancement Program, including a pilot program using reserved grazing rights easements. The bill provides \$1.3 billion for this program through 2012, enough to enroll 746,200 acres of wetlands over the next five years, for a total (including existing wetlands) of over 3 million acres.

- **DEDICATES FUNDING TO COOPERATIVE CONSERVATION PARTNERSHIPS:** The Cooperative Conservation Partnership Initiative requires that six percent of all conservation program funds or acres (other than those in CRP, GRP, WRP and FPP) will be available for carrying out cooperative projects. This will allow states, local governments, conservation districts, producer groups, and nongovernmental organizations to develop conservation initiatives, enrolling targeted producers in USDA conservation programs to address specific resource concerns.
- **CREATES NEW INITIATIVE FOR THE CHESAPEAKE BAY:** The Chesapeake Bay Watershed Program provides \$438 million in new funding to address resource concerns, such as improving water quality and quantity, or restoring, enhancing, and preserving soil, air, and related resources. Funds will be expended through existing conservation programs and focus on key tributaries of the bay.
- **EXPANDS FARMLAND PROTECTION PROGRAM:** The Farmland Protection Program helps maintain land in farming activities. Eligible land includes land with prime, unique or other productive soil, or which contains historical or archeological resources. The program requires that an eligible entity purchasing an easement using program resources provide an equal financial share in the easement as the federal share. The federal share is limited to no more than 50 percent of the total cost. The bill provides for an improved process of valuing easements to be acquired under the program, requiring an appraisal using and industry-approved method selected by the eligible entity and approved by the Secretary. Eligible entities certified under a new process may enter into agreements with the Secretary of a minimum of five years; other eligible entities can enter into such agreements for terms of three to five years. This new certification process will allow certified eligible entities to set their own terms for easements, provided that, as determined by the Secretary, they are consistent with the purposes of the program, permit effective enforcement of the easements, and include a limit on impervious surfaces. The program is expanded to \$200 million a year in 2012 up from the current baseline level of \$97 million.
- **REFORMS PAYMENT LIMITATIONS AND INCOME LIMITATIONS:** Participants in conservation programs are allowed to have no more than \$1 million in average adjusted gross nonfarm income unless 2/3rds of the participants' income was from farming, ranching, or related activities. Payment limitations for the Conservation Reserve Program, Agricultural Management Assistance, the Grassland Reserve Program (short term contracts and restoration agreements), Wildlife Habitat Incentives Program, and Wetlands Reserve Program (restoration agreements) is set at \$50,000 annually. Payments under the Conservation Stewardship Program are set at \$200,000 over any five year period. There is no maximum level that can be paid under the easement purchase provisions of WRP, GRP, and Farmland Protection.

- **ADDS SECOND-LEVEL REVIEW OF CONSERVATION COMPLIANCE DECISIONS:** Under current practice, a producer who is found out of compliance with regulations concerning highly erodible land or wetland conservation becomes ineligible for commodity program payments. However, the FSA County Committee may waive the penalty when it determines that the violation was made in good faith. Under the bill, the State or District FSA Director, with the technical concurrence of the Natural Resources Conservation Service State or Area conservationist, will review determinations of good faith.
- **EXPANDS PILOT PROGRAM FOR ENROLLING WETLAND AND BUFFER ACREAGE IN CONSERVATION RESERVE:** The Pilot Program for Enrolling Wetland and Buffer Acreage in the Conservation Reserve Program (Section 1231(h)) is expanded to include former catfish pond acreage, constructed wetlands to reduce nutrient runoff, and flooded farmland.
- **CONSERVATION RESERVE PROGRAM IS UPDATED:** Owners of nonindustrial private forest land on CRP acres will be eligible for cost-share payments for thinning for wildlife corridors, consistent with the conservation purpose of the contract. In instances where the county government concurs, the cap that prohibits enrollment of more than 25 percent of total county cropland acreage may be waived for land enrolled in the Conservation Reserve Enhancement Program and Continuous CRP. Retiring farmers or ranchers will be eligible for two years of additional annual rental payments if they sell or enter into a long-term lease for the CRP land with a beginning farmer or rancher or socially disadvantaged farmer or rancher. From 2010 forward, the authorized number of acres in the program is set at 32 million.
- **NEW VOLUNTARY PUBLIC ACCESS PROGRAM IS ADDED:** The Voluntary Public Access program provides \$50 million from 2009 through 2012 for grants to state programs that compensate landowners for allowing public access to their land for outdoor wildlife related activities such as hunting and bird watching.
- **NEW AGRICULTURAL WATER ENHANCEMENT PROGRAM REPLACES GROUND AND SURFACE WATER CONSERVATION PROGRAM:** The former Ground and Surface Water Conservation Program has been renamed and modified to focus on both water quantity and water quality in a new Agricultural Water Enhancement Program (AWEP). In addition, partners such as commodity groups or state, tribal, or local government are allowed to participate in the program to help leverage federal funding. The existing program will continue through the end of fiscal year 2008. AWEP, which will begin in fiscal year 2009, will receive a total of \$40 million in additional funding through 2012.

- **ENCOURAGES BENEFICIAL HABITAT FOR WILDLIFE:** The Wildlife Habitat Incentives Program is reauthorized and is better focused on private and tribal agricultural and nonindustrial private forestland. The program allows for increased assistance for long-term projects by increasing the amount of money that can be spent on projects lasting over 15 years.
- **PROVIDES NEW PRIORITY FOR POLLINATOR HABITAT IN ALL CONSERVATION PROGRAMS:** In all conservation programs, the Secretary will now have the authority to encourage pollinator habitat for native and managed pollinators in all conservation programs. Pollinator habitat is authorized for additional payments under EQIP.
- **UPDATED GRASSLAND RESERVE PROGRAM:** The Grassland Reserve Program will help landowners and operators restore and protect grassland and rangeland while emphasizing activities to preserve healthy grazing land. Both short-term rental contracts and long-term easements are made available, and an opportunity for eligible entities to enter agreements to purchase easements is added. The GRP provides \$300 million in new funding to enroll an additional 1.22 million acres by 2012.
- **INCREASES FUNDING FOR SMALL WATERSHED REHABILITATION:** This program provides \$100 million in new funding that will help extend the service life of dams in rural communities.
- **EXPANDS AGRICULTURAL MANAGEMENT ASSISTANCE PROGRAM:** This program provides additional conservation funding for states with historically low levels of participation in crop insurance. The bill expands eligibility to include Hawaii which brings the number of states participating to 16. \$23 million in new funding is added.
- **INCREASES FUNDING FOR REGIONAL EQUITY STATES:** The minimum per-state funding for this program is increased from \$12 million to \$15 million. This program ensures that states that receive smaller levels of conservation program benefits have at least a minimum of \$15 million each.
- **TAKES A FIRST STEP TOWARDS DEFINING ENVIRONMENTAL SERVICE MARKETS:** This new program requires USDA to establish a framework to measure environmental service benefits from conservation and land management activities. The Secretary is directed to focus on carbon markets to ensure producers have an opportunity to participate in emerging carbon credit markets.
- **ENSURES THAT PRODUCERS HAVE ACCESS TO CONSERVATION TECHNICAL ASSISTANCE:** Technical assistance is clarified and defined, and the technical service provider program is improved. The Secretary is required to review all of the existing conservation practice standards to ensure they strike a balance between meeting conservation needs and costs.